

STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT OFFICE OF THE SECRETARY

To:

Municipal Chief Executive Officers and Chief Financial Officers

From:

Secretary Benjamin Barnes

Date:

December 29, 2016

Subject:

Status of available funding for the Local Capital Improvement Program (LoCIP)

I am writing to advise you of the status of available funding for the Local Capital Improvement Program (LoCIP). As of July 1, 2016, the amount of bonding authorized for LoCIP is \$825 million, however, as of March 2016 towns have been credited \$860 million in aggregate LoCIP entitlements. This difference dates back to 2004 when the General Assembly passed Public Act 04-1, entitling towns to be credited an additional \$30 million in the LoCIP program for each year of the FY04-05 biennium, without increasing the aggregate bond authorization to fund this entitlement. In addition, the General Assembly decreased the aggregate bond authorization by \$5 million in FY05.

At this time, this situation has reached an inevitable breaking point as the amount of approved LoCIP projects has reached the \$825 million bond authorization, which is all of the funding that is lawfully available to reimburse towns and cities. As a result, in accordance with C.G.S. Sec. 7-536, the Office of Policy and Management (OPM) will not credit towns with an additional entitlement in March 2017. Furthermore, OPM will not be accepting or approving any new project authorization requests beyond those that were approved as of December 22, 2016. Reimbursement requests for projects approved as of December 22, 2016 will be accepted and processed within available resources. Information regarding approved LoCIP projects is available in the <u>December 22, 2016 Project Summary Report</u>.

I apologize for any inconvenience this may cause local governments. Additional information regarding the status of available LoCIP funding will be provided in the coming months. Please contact David LeVasseur if you have any questions at 860 418-6484 or David.LeVasseur@ct.gov.